

Mr. Tim Kelly
Lilly Industries Inc.
200 W. 103rd Street
Indianapolis, IN 46290

Re: 097-11482
First Administrative Amendment to
Part 70 097-7789-00040

Dear Mr. Tim Kelly:

Lilly Industries, Inc. was issued a permit on August 31, 1999 for paint manufacturing plant. A letter requesting a change was received on December 1, 1999. Pursuant to the provisions of 2-7-11 the permit is hereby administratively amended as follows:

Since the issuance of the initial Part 70 Operating Permit Lilly Industries has discovered an additional portable baghouse, identified as control device DC16. This baghouse is used to control particulate emissions from existing ingredient handling operations in a similar fashion as portable baghouses DC1 through 15. ERMD is revising the descriptions in condition A.3 (3) and Section D.2 to reflect the addition of this portable baghouse. Condition A.3(3) and Section D.2 were revised to read as follows (struck out language is being deleted and bolded language is being added):

- (3) Coating Formulation and Packaging, identified as emissions unit CF1, is where paints, lacquer and enamel are formulated and subsequently packaged in tanker trucks, totes, drums and cans. The Coating Formulation area consists of the following equipment; 83 Mix tanks, 41 Variable Speed Air/Hydraulic Lift Dispersers, 2 Single Speed Air/Hydraulic Lift Disperser (UFD), 16 Paint Mills, and 168 Portable Kettles/tubs. Emissions due to coating formulation are fugitive and as such are dependent upon total production amounts rather than number of equipment items or capacities. Particulate emissions generated from the handling of dry ingredients in the formulation area are vented to one of ~~thirteen~~ **fourteen** portable baghouses or two stationary baghouses. The portable baghouses exhaust to ambient shop air out of integral vents identified as DC3 through DC1**56**. The stationary baghouses exhaust to one of two stacks identified as DC 1 and DC 2. The Coating Packaging area consists of five stationary filling stations and ten portable filling stations. The maximum loading rate for each loading station ranges from 10 to 12 gallons per minute. The Coating Formulation and Packaging processes were installed before 1980.

Condition D.2.2 was revised to include this additional baghouse as follows (struck out language is being deleted and bolded language is being added):

D.2.2 Particulate Emissions [326 IAC 6-3]

Pursuant to 326 IAC 6-3 (Process Operations), the allowable PM emission rate from the Coating Formulation (CF-1 stacks DC1 through **156**), Brighton Resin Kettle (BRK), Electro-Vapor Resin Kettle (EVRK), and Totes Spray Paint Booth (SB28) shall not exceed allowable PM emission rate based on the following equation:

Interpolation and extrapolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$$E = 4.10 P^{0.67}$$

where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

For Coating Formulation (CF-1 stacks DC1 through DC156) P is equal to 1.5 tons per hour and E is equal to 5.38 pounds per hour.

Lilly Industries Inc. has requested to add a new Quality Assurance Turbo Disk Spray Paint Booth. The potential emissions from this unit are below the significance levels. Based on ERMD's review, the only applicable requirement is the process weight regulation 326 IAC 6-3. Since the process weight from this unit is less than 100 pounds per hour, the particulate matter emissions are limited to 0.551 pounds per hour by the general requirements established in condition C.1. The Part 70 Operating Permit does not need to be modified to allow for the addition of this new insignificant unit.

All other conditions of the permit shall remain unchanged and in effect. Please attach a copy of this amendment and the following revised permit pages to the front of the original permit.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter, please contact Mr. Patrick Coughlin, at (317) 327-2234.

Sincerely,

Robert F. Holm Ph.D.
ERMD Administrator

Attachments

Reviewer's Initials

cc: U.S. EPA, Region V
Mindy Hahn, IDEM OAM

**PART 70 OPERATING PERMIT
OFFICE OF AIR MANAGEMENT
and
INDIANAPOLIS ENVIRONMENTAL RESOURCES
MANAGEMENT DIVISION**

**Lilly Industries Inc.
546 West Abbott Street
Indianapolis, Indiana 46225**

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 and 326 IAC 2-1-3.2 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15, IC 13-17 and the Code of Indianapolis and Marion County, Chapter 511.

Operation Permit No.: T097-7789-00040	
Issued by: Janet G. McCabe, Assistant Commissioner Office of Air Management Robert F. Holm, PH.D, Administrator Indianapolis Environmental Resources Management Division	Issuance Date: August 31, 1999
First Administrative Amendment 097-11482 Affected Pages: 5, 34 and 36	
Issued by: Robert F. Holm, PH.D, Administrator Indianapolis Environmental Resources Management Division	Issuance Date:

SECTION A

SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) and The Indianapolis Environmental Resources Management Division (ERMD). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

The Permittee owns and operates a coating Manufacturing Operation.

Responsible Official:	Mr. Larry Dalton
Source Address:	546 W. Abbott Street, Indianapolis Indiana 46225
Mailing Address:	546 W. Abbott Street, Indianapolis Indiana 46225
SIC Code:	2851
County Location:	Marion
County Status:	Attainment for all criteria air pollutants
Source Status:	Part 70 Permit Program Minor Source, under PSD; Major Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

- (1) Orr & Sembower boiler, identified as emission unit OSB, is located in building 30. This boiler has a maximum heat input capacity 14.5 million Btu per hour and is fired with natural gas as the primary fuel and distillate oil as a backup fuel. The emissions from this facility are exhausted out one stack identified as stack ID OSB-S. This facility was constructed in 1960.
- (2) York Shipley boiler, identified as emission unit YSB, is located in building 30. This boiler has a maximum heat input capacity of 29 million Btu per hour and is fired with natural gas. The emissions from this facility are exhausted out one stack identified as stack YSB-S. This facility was constructed in 1982.
- (3) Coating Formulation and Packaging, identified as emissions unit CF1, is where paints, lacquer and enamel are formulated and subsequently packaged in tanker trucks, totes, drums and cans. The Coating Formulation area consists of the following equipment; 83 Mix tanks, 41 Variable Speed Air/Hydraulic Lift Dispersers, 2 Single Speed Air/Hydraulic Lift Disperser (UFD), 16 Paint Mills, and 168 Portable Kettles/tubs. Emissions due to coating formulation are fugitive and as such are dependent upon total production amounts rather than number of equipment items or capacities. Particulate emissions generated from the handling of dry ingredients in the formulation area are vented to one of fourteen portable baghouses or two stationary baghouses. The portable baghouses exhaust to ambient shop air out of integral vents identified as DC3 through DC16. The stationary baghouses exhaust to one of two stacks identified as DC 1 and DC 2. The Coating Packaging area consists of five stationary filling stations and ten portable filling stations. The maximum loading rate for each loading station ranges from 10 to 12 gallons per minute. The Coating Formulation and Packaging processes were installed before 1980.

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

- (3) Coating Formulation and Packaging, identified as emissions unit CF1, is where paints, lacquer and enamel are formulated and subsequently packaged in tanker trucks, totes, drums and cans. The Coating Formulation area consists of the following equipment; 83 Mix tanks, 41 Variable Speed Air/Hydraulic Lift Dispersers, 2 Single Speed Air/Hydraulic Lift Disperser (UFD), 16 Paint Mills, and 168 Portable Kettles/tubs. Emissions due to coating formulation are fugitive and as such are dependent upon total production amounts rather than number of equipment items or capacities. Particulate emissions generated from the handling of dry ingredients in the formulation area are vented to one of fourteen portable baghouses or two stationary baghouses. The portable baghouses exhaust to ambient shop air, out of integral vents identified as DC3 through DC16. The stationary baghouses exhaust to one of two stacks identified as DC 1 and DC 2. The Coating Packaging area consists of five stationary filling stations and ten portable filling stations. The maximum loading rate for each loading station ranges from 10 to 12 gallons per minute. The Coating Formulation and Packaging processes were installed before 1980.
- (4) Brighton Resin Kettles, identified as emission unit BRK, is located in building 22. The resin kettle is used to produce primarily alkyd and polyester resins in a batch reactor. This kettle is fired with natural gas and has a maximum rated heat input capacity of 2.7 million Btu per hour. The process emissions from the kettle are vented to a condenser which exhausts out stack BRK-1. Solvents collected by the condenser are routed back to the kettle at a controlled rate in order to control the reaction temperature within the kettle. Particulate emissions generated during the addition of dry ingredients are vent to a scrubber which exhaust out stack BRK-2. Combustion emissions from the 2.7 million Btu per hour burner are not controlled and are exhausted out stack BRK-3. This facility was installed prior to 1965.
- (5) Blaw Knox Electro-Vapor Resin Kettles, identified as emission unit EVRK, is located in building 22. The Electro-Vapor Resin Kettle can be operated as a resin kettle used to produce Alkyd resins in a batch operation or as a solvent recovery device used to recover solvents from solvent laden water generated from resin production. The process emissions from resin cooking and solvent recovery operations are vented to a condenser which exhausts out stack EVRK-1. During resin production solvents collected by the condenser are routed back to the kettle at a controlled rate in order to control the reaction temperature within the kettle. The particulate emissions generated from the addition of dry ingredients are vented to a scrubber which exhaust out stack EVRK-2. This facility was installed in prior to 1960.

- c) For the purpose of demonstrating compliance with paragraph (a) of this condition, the VOC emissions from the emissions units identified in paragraph (c)(1) of this condition are fixed at 21.3 tons for any twelve (12) consecutive month period. The fixed VOC emission rate of 21.3 tons per twelve (12) consecutive month period for the emission units identified in (c)(1) of this condition is based on the sum of the potential emissions for these units. Any changes to the emission units identified in condition (c)(1) which increases the units potential emissions of VOCs shall require approval prior to implementing the change.

- (1) Fugitive Equipment Leaks (F-1), Pilot Resin Kettle (PK), Storage Tanks (ST), Solvent Recovery Unit (SRU) and the Orr & Stembower boiler (OSB).

D.2.2 Particulate Emissions [326 IAC 6-3]

Pursuant to 326 IAC 6-3 (Process Operations), the allowable PM emission rate from the Coating Formulation (CF-1 stacks DC1 through 16), Brighton Resin Kettle (BRK), Electro-Vapor Resin Kettle (EVRK), and Totes Spray Paint Booth (SB28) shall not exceed allowable PM emission rate based on the following equation:

Interpolation and extrapolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour; and} \\ P = \text{process weight rate in tons per hour}$$

For Coating Formulation (CF-1 stacks DC1 through DC16) P is equal to 1.5 tons per hour and E is equal to 5.38 pounds per hour.

D.2.3 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for Coating Formulation (CF-1), Steam Kettle (SK), Brighton Resin Kettle (BRK), Electro-Vapor Resin Kettle (EVRK) and any pollution control devices.

Compliance Determination Requirements

D.2.4 Testing Requirements [326 IAC 2-7-6(1)]

Testing of these emission units is not specifically required by this permit. However, if testing is required, compliance with the Volatile Organic Compound or Particulate Matter limit specified in Conditions D.2.1 or D.2.2 shall be determined by a performance test conducted in accordance with Section C - Performance Testing. This does not preclude testing requirements on this facility under 326 IAC 2-7-5 and 326 IAC 2-7-6.

D.2.5 VOC Emissions

Compliance with Condition D.2.1 shall be demonstrated at the end of each month based on the total volatile organic compound emissions for the applicable compliance period. The methodology for calculating the monthly emissions is as follows:

- a) For the purposes of this condition, all coatings formulated shall be grouped into one of the following categories based on the end use of the coating; Office Equipment Coatings, Clear Finishes, Pigmented Wood Finishes, Electrodeposition Finishes, Coil Coatings,